

Diaspora Capital and SME Development in Nigeria: Assessing SMEDAN's Policy Frameworks and Institutional Role

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Abstract:

This study examines the institutional role of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in facilitating diaspora investment into Nigerian SMEs. Anchored in Institutional Theory, the research interrogates how institutional legitimacy, visibility, and policy coherence influence diaspora-SME linkages. A mixed-methods approach was employed: survey data from 65 SMEs were triangulated with 13 key informant interviews drawn from SMEDAN officials, SME operators, and diaspora investors. The findings reveal that while SMEDAN demonstrates institutional intent through policies such as diaspora bonds, export promotion initiatives, and integration with the African Continental Free Trade Area (AfCFTA), its practical impact on diaspora investment remains limited. Only 10.8% of SMEs reported diaspora facilitation, and participation in diaspora-specific platforms reached just 6.2%. Qualitative insights further underscore a disconnect between program design and investor needs, with

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diaspora respondents often bypassing SMEDAN in favor of informal networks or direct engagement through other agencies.

The study concludes that SMEDAN’s intermediary role is constrained not by a lack of policy vision, but by gaps in enforcement, outreach, and institutional credibility. Recommendations include establishing dedicated diaspora investment desks, strengthening inter-agency collaboration with bodies such as NiDCOM and NIPC, and enhancing visibility through digital platforms.

Keywords: *SMEDAN; Diaspora Capital; Diaspora Investment; Small and Medium Enterprises (SMEs); Nigeria*

1. INTRODUCTION:

Nigeria, the most populated nation in Africa, with an estimated 2024 GDP of \$568 billion in real terms (World Bank, 2024), has long relied on its informal and formal sector for economic growth, with Small and Medium-sized Enterprises (SMEs) contributing significantly to its socio-economic development (Aikor, 2021; Etim & Daramola, 2020; Nor, 2024). According to a 2021 joint SMEDAN and NBS Survey Report, Nigeria is also reportedly home to over 39.6 million MSMEs, constituting 97% of businesses and contributing to about 48% of Nigeria’s GDP (SMEDAN & NBS, 2021). In the same vein, Nigeria’s SMEs made up 6.21% of gross national exports and 88% of employment generated within same year (PwC, 2024)..

In a country grappling with high unemployment, poverty, and a youthful population, the growth of SMEs is therefore vital to attaining inclusive and sustainable economic development. Similarly, Nigeria’s SMEs also act as a driving force for socio-economic development, particularly by enhancing local production, promoting entrepreneurship, and promoting innovation among and women (Aikor, 2021). This is especially vital in a nation where informal sector economic initiatives play substantial role. Etim and Daramola (2020), in their comparative study of the informal sector economic activities in South Africa and Nigeria, assert that SMEs, particularly in the informal setting, contribute to economic resilience and household income generation despite structural challenges such limited infrastructure and inconsistent regulatory environment.

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The Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) was founded in 2003 by the SMEDAN Act with the sole aim of advancing the development of MSMEs sector in Nigeria (SMEDAN, 2003, 2025a). The institution was created by the Federal Government of Nigeria as a one-stop institution to provide support, coordinate empowerment, and policy direction for the development of the SMEs in recognition of the vital importance, played by MSMEs in national empowerment, through employment generation, poverty reduction, and economic diversification. Several studies acknowledge the positive mediating impact created by SMEDAN initiatives in entrepreneurship development and socio-economic growth in Nigeria (Abah & Okike, 2023; Garba & Ahmed, 2024; Gumel & Bardai, 2023).

SMEDAN operates with guidance from the Federal Ministry of Industry, Trade and Investment with a mandate to simulate, monitor, and coordinate the development of MSMEs in Nigeria. In addition, the organization is shouldered with the task of formulating and implementing supportive policies, facilitating access to finance, providing business development services, supporting capacity-building initiatives, and creating market linkage for SMEs. One of the key functions of SMEDAN is to foster institutional support and an enabling environment that allows MSMEs to thrive, especially in the agricultural, manufacturing, service and trade sectors. To achieve its objectives, the agency has launched several initiatives such as the National MSMEs Clinics, the Conditional Grant Scheme (CGS) for micro-businesses, and other capacity-building and entrepreneurship development programs across the country (Gumel & Bardai, 2023).

While SMEDAN has made significant strides in supporting MSMEs within Nigeria, there is limited documentation of its effort in diaspora engagement and local SMEs. Given the rising global trend of government leveraging diaspora resources for development, this area presents a largely untapped opportunities for SMEDAN to expand its impact (Idehen & Akhator, 2021). Yet, the specific contributions of SMEDAN in this domain warrant closer examination. This study therefore investigates SMEDAN's role in strengthening SME export readiness and facilitating connections with diaspora-backed financial resources and trade networks. By this, the study seeks to illuminate how SMEDAN creates pathways for diaspora investment, while identifying gaps and opportunities for enhancing its impact.

2. BRIEF REVIEW OF LITERATURE:

2.1 SMEDAN: Historical Background, Mandate, and Institutional Structure

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established by the SMEDAN Act of 2003 to address the structural challenges constraining micro, small, and medium enterprises (MSMEs). Its creation was rooted in the recognition that SMEs form the backbone of national economies, particularly in developing countries, where they account for employment generation, grassroots development, and industrial linkages (SMEDAN, 2021). The agency's mandate spans multiple objectives, including the promotion of SMEfriendly policies, provision of capacitybuilding programs, facilitation of access to finance, and delivery of business support services (Garba & Ahmed, 2024). It functions as a bridge between government, financial institutions, and entrepreneurs, ensuring that SMEs are adequately positioned to access resources and operate in a competitive environment.

SMEDAN's core functions revolve around four pillars:

- 1) policy formulation and advocacy.
- 2) enterprise development and training.
- 3) financial intermediation and credit facilitation; and
- 4) market access promotion.

Through these, the agency has initiated programs such as the National MSME Clinics, Conditional Grant Schemes, entrepreneurship training, and export readiness initiatives. Importantly, SMEDAN works closely with the Federal Ministry of Industry, Trade and Investment, while also liaising with sub-national governments to implement enterprise support schemes (SMEDAN & NBS, 2021).

Institutionally, SMEDAN operates with a hierarchical governance structure headed by a Director-General, supported by zonal and state offices. This decentralized framework is designed to ensure outreach across Nigeria's six geopolitical zones. Nonetheless, persistent challenges such as limited funding, bureaucratic inefficiencies, and weak monitoring systems, often dilute the impact of SMEDAN's interventions (Joseph, 2023). According to Ajuwonet *al* (2024), these weaknesses notwithstanding, the agency has

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recorded progress in promoting enterprise formalization, building managerial competencies, and facilitating credit access through partnerships with the Bank of Industry (BOI), Central Bank of Nigeria (CBN), and commercial banks.

A distinctive feature of SMEDAN's governance is its collaborative role with diaspora-related agencies such as the Nigerians in Diaspora Commission (NiDCOM). This inter-agency linkage underscores its strategic function in aligning diaspora resources with SME development objectives. By institutional design, SMEDAN is both a policy actor and an implementation body, making it central to efforts aimed at mobilizing diaspora capital for productive investment (Douw *et al.*, 2024).

2.2 SMEs in Nigeria: Definition, Characteristics, and Contribution

In Nigeria, SMEs are defined in accordance with the National Policy on MSMEs (2021–2025) and SMEDAN's classification system, which uses employment size, asset value, and turnover as criteria. Micro-enterprises employ fewer than ten people, small enterprises employ between ten and forty-nine, while medium enterprises employ up to 199, with asset values ranging from ₦3 million to ₦1 billion (Onyekwelu&Oyeogubalu, 2020; SMEDAN, 2021).

SMEs dominate Nigeria's economic landscape, accounting for over 96% of all registered businesses, contributing 46.3% to GDP, and providing more than 80% of employment opportunities (SMEDAN & NBS, 2021). Their role in poverty reduction, grassroots development, and industrial linkages underscores their centrality to national development strategies (Adeosun & Shittu, 2022). Beyond their domestic importance, SMEs also play a growing role in intra-African trade and regional integration under ECOWAS protocols (PwC, 2024).

Nevertheless, Nigerian SMEs face persistent growth constraints, notably inadequate access to finance, poor infrastructure, multiple taxation, low digital adoption, and regulatory inefficiencies (Ajuwonet *al.*, 2024; Gumel & Bardai, 2023) while informality remains high, limiting their scalability and ability to attract investment. Empirical evidence suggests that infrastructural deficits, especially erratic power supply and weak transport systems, significantly undermine their competitiveness (Ojiba& Olotu, 2024).

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Skills gaps in entrepreneurship, digital technologies, and professional management further exacerbate the challenges (Akpuokweet *et al.*, 2024).

Despite these constraints, opportunities abound. Scholars have emphasized that access to diaspora capital, improved institutional support, and digital integration can serve as critical success factors for Nigerian SMEs (Rodrigues, 2020). Thus, positioning SMEs within diaspora engagement policies presents a pathway to harness external capital, knowledge, and networks for sustainable growth.

2.3. Nigerian Diaspora Profile, Remittance, Engagement, and Investment

The Nigerian diaspora is among the most significant in Africa, estimated between two and fifteen million globally (Didia & Tahir, 2022). Concentrated in countries such as the United States, United Kingdom, Canada, and Saudi Arabia, this community has become a critical source of remittance inflows and social capital. In 2023, Nigeria received US\$34.8 billion in remittances, making it one of the highest recipients in Sub-Saharan Africa (World Bank, 2023).

Remittances are largely directed toward household consumption, social transfers, and informal family businesses (Frederick & Moradeke, 2021). However, there is growing recognition of diaspora direct investment (DDI), which involves equity stakes, partnerships, and long-term business financing. Unlike remittances, DDI has transformative potential for SME development, but it remains underutilized due to weak institutional frameworks, lack of trust, and political instability (Adedeji, 2024).

Diaspora investors are often motivated by patriotism, social impact, and economic opportunities (Anandene, 2024). Yet, the absence of structured platforms for engagement, combined with regulatory bottlenecks and poor transparency, discourages their participation in SME investment. Comparative studies show that while India and Ghana have institutionalized diaspora funds and matchmaking platforms, Nigeria's frameworks are still fragmented (Douw *et al.*, 2024).

Beyond financial flows, diaspora engagement also brings knowledge transfer, innovation, and access to global markets (Gelb, 2024; Ojo, 2023). Nigerian professionals abroad possess expertise that can help SMEs adopt international standards and expand regionally. SMEDAN, working in partnership with NiDCOM, has attempted to bridge these gaps

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through diaspora-focused initiatives such as investment summits, trade fairs, and export readiness programs (Joseph, 2023).

2.4. Empirical Review of Similar Studies

Empirical scholarship across global, regional, and Nigerian contexts provides valuable insights into diaspora investment and SME development. At the global level, Kumar (2021) applied Brinkerhoff’s Diaspora Investment Model in India and the Philippines, demonstrating that transparent governance and intermediary institutions enhance diaspora engagement. Similarly, Douw *et al.* (2024) compared India and Brazil, showing that India’s institutionalized diaspora platforms successfully attracted capital, while Brazil’s weak institutions limited engagement outcomes. Açıklan (2024) also highlighted how institutional trust fosters diaspora entrepreneurship among Turkish expatriates, suggesting that strong ties with home country business councils positively influence start-ups and exports.

Regionally, studies emphasize both the potential and limitations of diaspora financing in Africa. Lukonga (2020) and Adedeji (2024) found that Sub-Saharan African countries often lack intermediary agencies capable of packaging SME proposals for diaspora funding. Ghana has made progress by introducing diaspora bonds and structured investment fairs, enabling SMEs to access diaspora resources (Ayakwahet *al.*, 2020). However, weak institutional coordination remains a challenge across much of the continent.

In Nigeria, several studies reinforce the importance of institutional facilitation. Ojapinwa (2022) found a significant positive relationship between diaspora remittances and SME performance, while Ajuwon *et al.* (2024) stressed that bureaucratic bottlenecks and inconsistent regulations discourage diaspora participation. Gumel and Bardai (2023) further noted that SMEDAN’s programs, particularly in capacity building and export readiness, enhanced SME competitiveness and improved access to diaspora capital.

2.5. Research Gap

Existing scholarship has extensively examined SME challenges in Nigeria and the macroeconomic impact of diaspora remittances. However, few studies have systematically analyzed how institutional actors such as SMEDAN facilitate diaspora-linked investment

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in SMEs. While global and regional studies (e.g., India, Ghana, Brazil) provide comparative insights, Nigerian research tends to focus on remittance flows or general SME constraints without explicitly connecting diaspora capital, institutional mechanisms, and SME performance. Moreover, the role of diaspora networks in overcoming regulatory barriers and enabling SME expansion into West African markets remains underexplored. This study therefore addresses a critical gap by situating SMEDAN at the center of diaspora-SME engagement, assessing its policy frameworks, and evaluating their effectiveness in mobilizing diaspora capital for SME development.

3. THEORETICAL FRAMEWORK:

This study adopts Institutional Theory as its guiding framework. Originally articulated by Meyer and Rowan (1977) and later expanded by DiMaggio and Powell (1983), institutional theory emphasizes how organizational behavior is shaped by formal rules, regulatory frameworks, and cultural norms. Institutions exert coercive, normative, and mimetic pressures, which organizations adapt to gain legitimacy and secure resources. In developing economies, such pressures are especially significant because institutional structures often determine the confidence of both domestic and foreign investors (Mamo, 2020).

Within the Nigerian context, SMEDAN functions as a critical institutional actor. Through the National Policy on MSMEs (2021–2025) and its engagement strategies with diaspora communities, SMEDAN creates enabling conditions for SMEs to attract foreign capital. Furthermore, institutional interventions such as export support programs, capacity building initiatives, and its diaspora investment summits, align with institutional theory’s emphasis on structured rules that reduce uncertainty and build legitimacy.

This suggests that diaspora investors are more likely to commit resources when institutions demonstrate accountability and transparency, consistency of policy, and efficiency. Thus, SMEDAN’s policy frameworks can be viewed from the lens of institutional mechanisms that bridge diaspora capital with SME development. Institutional theory therefore provides a veritable platform to evaluate how SMEDAN’s governance structures influence diaspora confidence and investment flows into SMEs.

4. METHODOLOGY:

4.1 Research Paradigm

This study is "*pragmatic paradigm*", emphasizing practical solutions to research questions by integrating both qualitative and quantitative approaches. Pragmatism recognizes the dynamic and socially constructed nature of reality, allowing the researcher to examine measurable outcomes alongside lived experiences (Creswell & Creswell, 2017; Kaushik & Walsh, 2019). Given the multifaceted nature of SMEDAN's institutional role and diaspora engagement, this paradigm provides the flexibility needed to capture both statistical patterns and contextual insights.

4.2 Research Design

A mixed-methods case study design was adopted to explore SMEDAN's policy frameworks in relation to diaspora investment. The quantitative component involved structured surveys administered to SMEs, focusing on access to diaspora financing, business growth, and export readiness. The qualitative component consisted of semi structured interviews with SMEDAN officials, diaspora investors, and selected SMEs. This design enables triangulation, ensuring that findings from one strand complement and validate the other (Yin, 2009; Moroi, 2021).

4.3 Population and Sampling

The study population consist of three (3) categories: Nigerian SMEs engaged in domestic and regional trade, SMEDAN officials directly involved in policy implementation in the agency, and diaspora investors with prior investment experience in Nigeria. For the quantitative phase, stratified random sampling was employed to select 60 SMEs across several sectors. For the qualitative phase, purposive sampling was applied to identify SMEDAN officials and diaspora investors with relevant expertise in SME financing and diaspora engagement.

4.4 Research Instruments

Two instruments guided data collection: a structured questionnaire and a semistructured interview guide. The questionnaire included both demographic items and Likert-scale

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questions designed to capture SMEs' experiences with diaspora-linked financing. The interviews provided deeper insights into institutional strategies, policy frameworks, and barriers to diaspora investment.

4.5 Data Analysis

Quantitative data were analyzed using SPSS, applying descriptive statistics such as frequencies, percentages, means, and standard deviations. Qualitative interviews were transcribed and coded thematically with NVivo, allowing the identification of recurring themes relating to policy frameworks, institutional challenges, and investor perceptions. Findings from both strands were integrated for comprehensive interpretation.

4.6 Ethical Considerations

Ethical approval was secured prior to data collection. Participants provided informed consent, anonymity and confidentiality were assured, and data collection procedures adhered to institutional research ethics protocols.

5. RESULTS& DISCUSSION:

Drawing on quantitative data from survey questionnaires and qualitative insights from interviews, the study explores SMEDAN's institutional mechanisms, programs, and challenges in connecting diaspora capital, skills, and networks to Nigerian SMEs.

5.1: Socio-demographic Characteristics of Respondents

This section details the socio demographic profiles of both quantitative and qualitative respondents, providing context for interpreting the study's findings. The quantitative sample consists of 65 Nigerian SMEs engaged in cross-border trade within West Africa, while the qualitative sample includes 13 participants: 4 SMEs with diaspora investment or export focus, 4 diaspora investors, and 5 SMEDAN officials. The demographic data illuminates the characteristics of the enterprises and individuals involved, offering insights into their business structures, investment patterns, and engagement with SMEDAN's initiatives.

5.1.1 Response Rate

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The study targeted 85 participants: 70 for quantitative surveys and 15 for qualitative interviews. Of the 70 SMEs targeted for the survey, 65 responded, yielding a 93% response rate. For the qualitative component, 13 out of 15 targeted interviews were completed, including five SMEDAN officials, four SMEs, and four diaspora investors, resulting in an overall response rate of 92%. As noted by Sataloff and Vontela (2021), a response rate above 60% is sufficient for drawing reliable conclusions, indicating that the data collected are robust for analysis.

Table 1: Response Rate

Categories	Targeted participants	Response Frequency
Quantitative Participants	70	65
Qualitative Participants	15	13
Total	85	78
Percentage %	100	93

Source: Primary data collected.

The high response rate reflects the study’s effective outreach and the relevance of the research topic to participants. The slightly lower qualitative response rate (87%) may be attributed to scheduling challenges or reluctance among some diaspora investors to participate, a common issue in studies involving geographically dispersed respondents.

5.1.2 Demographic Profile of Quantitative Respondents (SMEs)

The quantitative survey targeted Nigerian SMEs involved in cross-border trade within West Africa, yielding 65 responses. While detailed demographic data for the full quantitative sample were not collected, the profile of the four SMEs interviewed (part of the qualitative sample but reflective of the broader SME population) provides a representative snapshot of the quantitative respondents, as these SMEs were selected for their export focus or diaspora investment engagement.

Table 2: Demographic Information of Interviewed SMEs

Items	Categories	Frequencies	Percentages
Role in the business	Owner/Founder	4	100
	Manager/CEO	0	0

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	Operations/Logistics Head	0	0
	Others	0	0
<i>Year business was established</i>	2008	1	25
	2018	1	25
	2021	2	50
<i>Business size (by number of employees)</i>	1–9 (Micro)	4	100
	10–49 (Small)	0	0
	50–249 (Medium)	0	0
	250 and above (Large)	0	0
<i>Business’s annual revenue</i>	Less than ₦5 million	0	0
	₦5 million – ₦50 million	3	75
	₦51 million – ₦100 million	0	0
	Above ₦100 million	0	0
	Prefer not to say	1	25
<i>Business sector</i>	Agriculture	2	50
	Manufacturing	2	50
	Food and Beverages	0	0
	Services (e.g., ICT, finance, logistics)	0	0
	Retail/wholesale	0	0
	Others	0	0
<i>Headquarters of business</i>	Nigeria	4	100
	Outside Nigeria	0	0
<i>Export to West African countries</i>	Yes	3	75
	No	0	0
	Planning to in the next 12 months	1	0

Source: Primary data collected.

The demographic profile of the interviewed SMEs reveals a homogenous group of micro-enterprises, all led by owners or founders (100%), reflecting the entrepreneurial nature of Nigerian SMEs where ownership and management often converge. This structure suggests flexibility in decision-making, which could facilitate responsiveness to diaspora investment opportunities. The businesses vary in longevity, with 50% established in 2021, indicating recent entrants navigating post-COVID challenges, while older firms (2008 and 2018) bring seasoned experience. All are micro-enterprises (1–9 employees), consistent with SMEDAN and NBS (2021) findings that micro-enterprises dominate Nigeria’s private sector. Their modest revenue (₦5–50 million for 75%) underscores financial constraints that may limit export readiness without institutional support. The equal split between agriculture and manufacturing sectors (50% each) aligns with SMEDAN’s focus on agro-processing and light manufacturing as key export areas. Notably, 75% of these SMEs actively export to West Africa, and the remaining 25% plan to do so, highlighting their regional trade ambitions despite their small scale.

5.1.3 Demographic Profile of Qualitative Respondents (Diaspora Investors)

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The qualitative sample included four diaspora investors, whose demographic characteristics provide insight into their investment patterns and engagement with SMEDAN.

Table 3: Demographic Information of Interviewed Diaspora Investors

Items	Categories	Frequencies	Percentages
Country of residence	United Kingdom	1	25
	United States of America	2	50
	Ghana	1	25
	Others	0	0
Citizens of Nigeria	Yes	4	100
	No	0	0
Area of business investment	Agriculture	1	25
	Manufacturing	1	25
	Food and Beverages	1	25
	Services (e.g., ICT, finance, logistics)	0	0
	Retail/wholesale	0	0
	Others	1 (Real Estate)	25
Invested in Nigerian SMEs via SMEDAN	Yes	1	25
	No	3	75
Level of investment	Less than \$5,000	0	0
	\$5,000–\$25,000	4	100
	\$25,000–\$100,000	0	0
	Above \$100,000	0	0
	Prefer not to say	0	0

Source: Primary data collected.

The diaspora investors are geographically diverse, with 50% residing in the United States, 25% in the United Kingdom, and 25% in Ghana, reflecting key Nigerian diaspora hubs and the growing intra-African diaspora presence. All investors (100%) are Nigerian citizens, underscoring strong cultural and national ties that may drive investment decisions, consistent with Brinkerhoff (2008) and Douw et al. (2024). Their investments span agriculture, manufacturing, food and beverages, and real estate (25% each), indicating diverse interests but a preference for tangible, goods-based sectors, possibly due to perceived lower risk. Only 25% invested through SMEDAN, suggesting limited institutional mediation, a critical gap in SMEDAN’s outreach. The investment range (\$5,000–\$25,000) is modest but significant in the Nigerian SME context, where small-scale capital can drive substantial growth.

5.1.4 Demographic Profile of Qualitative Respondents (SMEDAN Officials)

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The qualitative sample included five SMEDAN officials, coded as **SD1** to **SD5**. Specific demographic details (e.g., age, gender) were not collected, as the focus was on their professional roles and insights into SMEDAN's programs. All officials were senior representatives involved in SME development, diaspora engagement, or export promotion, ensuring their responses reflect authoritative perspectives on the agency's operations. Their inclusion provides a critical institutional viewpoint, complementing the SME and diaspora investor perspectives.

The diversity of respondents having SMEs, diaspora investors, and SMEDAN officials offers a multi-faceted view of SMEDAN's role in diaspora investment and SME export readiness. The SMEs' micro-enterprise status and export focus align with Nigeria's economic structure, while the diaspora investors' geographic and sectoral diversity highlight untapped potential for broader engagement. The limited interaction with SMEDAN among diaspora investors signals a need for improved outreach. These profiles set the stage for analyzing how SMEDAN's mechanisms influence SME-diaspora connections, as explored in the subsequent sections.

5.2 Quantitative Findings

The quantitative findings from the survey of 65 Nigerian SMEs engaged in cross-border trade within West Africa aims to address the study's primary objective. The data collected via electronic questionnaires distributed through the SMEDAN platform, were cleaned, entered into Excel, and analyzed using SPSS software. Results are organized around key variables: SMEDAN's role in diaspora engagement, program participation, satisfaction with support, and perceived effectiveness of programs. Each finding is presented with tables, followed by interpretations and commentary that connect the results to the Institutional Theory framework, which emphasizes the role of institutional structures, policies, and intermediaries in shaping organizational behavior and economic outcomes.

5.2.1 SMEDAN's Role in Diaspora Engagement

The survey assessed whether SMEDAN facilitated SMEs' engagement with diaspora investors, a critical measure of the agency's intermediary function.

Table 4: SMEDAN's Role in Diaspora Investment

Has SMEDAN facilitated your business's engagement with diaspora investors?	N	Frequency	Percentage (%)
Yes	65	7	10.8%
No	65	57	87.7%
Not Applicable	65	1	1.5%

Source: Primary data collected

The data reveal a striking disconnect, with 87.7% of SMEs reporting that SMEDAN did not facilitate their engagement with diaspora investors. Only 10.8% acknowledged such facilitation, and 1.5% found the question inapplicable. This suggests that SMEDAN's institutional mechanisms for connecting SMEs with diaspora capital are either underutilized or insufficiently visible to the majority of respondents.

From an Institutional Theory perspective, the low engagement rate (10.8%) indicates a gap in SMEDAN's institutional legitimacy and capacity to act as an effective intermediary. Institutional Theory posits that organizations rely on credible institutional frameworks to build trust and facilitate economic exchanges (North, 1990). The overwhelming majority of SMEs reporting no engagement suggests that SMEDAN's structures such as diaspora investment forums or matchmaking platforms are not effectively embedded in the SME ecosystem. This aligns with Brinkerhoff's (2008) Diaspora Investment Model, which emphasizes the need for visible and trusted institutional channels to bridge diaspora resources with local enterprises.

5.2.2 Participation in SMEDAN Programs

The survey explored the specific SMEDAN programs SMEs participated in, shedding light on the agency's programmatic reach and focus

Table 5: SMEDAN programs participated in

Item	N	Freq.	percentage
Diaspora engagement platforms (e.g., trade fairs, networking events)	65	4	6.2%
Capacity-building workshops/training	65	38	56.5%

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<i>Export promotion programs</i>	65	21	32.3%
<i>Partnership facilitation with diaspora investors</i>	65	4	6.2%
<i>Annual SME conferences</i>	65	1	1.5%
<i>Packaging and Branding</i>	65	1	1.5%
<i>Meeting fairs</i>	65	1	1.5%
<i>SMEDAN training and registration</i>	65	1	1.5%
<i>Other (Please specify)</i>	65	12	18.5%

Source: Primary data collected

Most SMEs (58.5%) participated in capacity-building workshops and training, indicating that SMEDAN’s training programs are its most accessible and visible initiative. Export promotion programs engaged 32.3% of respondents, reflecting moderate success in supporting SME internationalization. However, only 6.2% participated in diaspora engagement platforms or partnership facilitation with diaspora investors, and other initiatives (e.g., annual SME conferences, packaging and branding) saw minimal participation (1.5% each). The 18.5% participation in unspecified “other” activities suggests some SMEs engaged in multiple or less formalized programs.

Institutional Theory highlights the role of structured programs in shaping organizational behaviour and economic outcomes. The dominance of capacity-building programs (58.5%) suggests that SMEDAN has established a strong institutional presence in training, aligning with its mandate to enhance SME operational capacity. However, the low participation in diaspora-specific initiatives (6.2%) indicates a weak institutional framework for diaspora engagement, undermining SMEDAN’s role as an intermediary. This echoes Chen and Sanford’s (2024) argument that effective diaspora investment requires targeted institutional mechanisms, such as dedicated forums or funding windows, which SMEDAN appears to lack. The moderate engagement in export promotion (32.3%) aligns with the African Continental Free Trade Area (AfCFTA) framework, but the low uptake of diaspora-focused programs suggests a misalignment between SMEDAN’s broader SME support and its diaspora investment objectives.

5.2.3 Satisfaction with SMEDAN’s Support for Diaspora Connections

The survey measured SMEs’ satisfaction with SMEDAN’s support in connecting them with diaspora investors, providing insight into perceived institutional effectiveness.

Table 6: *Satisfaction with SMEDAN’s Support in Connecting with Diaspora Investors.*

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How satisfied are you with the support provided by SMEDAN in connecting you with diaspora investors?	N	Frequency	Percentage (%)
<i>Very Satisfied</i>	65	8	12.3%
<i>Satisfied</i>	65	11	16.9%
<i>Neutral</i>	65	24	36.9%
<i>Dissatisfied</i>	65	13	20%
<i>Very Dissatisfied</i>	65	9	13.9%
		Mean	2.94
		S. D.	1.20

Source: Primary data collected

The mean satisfaction score of 2.94 (on a 5-point Likert scale: 1 = Very Dissatisfied, 5 = Very Satisfied) indicates moderate satisfaction, leaning slightly below neutral. The most common response was neutral (36.9%), followed by dissatisfied (20.0%) and satisfied (16.9%). Only 12.3% were very satisfied, while 13.9% were very dissatisfied. The standard deviation of 1.20 reflects a varied range of experiences among respondents.

The neutral-to-dissatisfied sentiment (56.9% combined) underscores a perceived institutional shortfall in SMEDAN’s ability to connect SMEs with diaspora investors. Institutional Theory suggests that organizations gain legitimacy through effective service delivery and stakeholder trust (DiMaggio & Powell, 1983). The high proportion of neutral responses (36.9%) may reflect limited awareness or interaction with SMEDAN’s diaspora-focused programs, while the dissatisfaction (33.9% combined) points to operational or communication gaps. This aligns with Ajuwon et al. (2024), who note that regulatory inconsistencies and limited institutional visibility hinder diaspora engagement in Nigeria. Compared to countries like Ghana, where dedicated diaspora investment desks enhance connectivity (Gelb et al., 2021), SMEDAN’s moderate satisfaction ratings suggest a need for more targeted and accessible mechanisms.

5.2.4 Effectiveness of SMEDAN’s Programs in Supporting SMEs

The survey evaluated the overall effectiveness of SMEDAN’s programs in supporting SME businesses, providing a broader perspective on the agency’s institutional impact

Table 7: Effectiveness of SMEDAN’s programs in supporting SMEs businesses

How would you rate the effectiveness of SMEDAN’s programs in supporting your business?	N	Frequency	Percentage (%)
<i>Very Effective</i>	65	22	33.9%
<i>Effective</i>	65	14	21.5%
<i>Neutral</i>	65	17	26.2%
<i>Ineffective</i>	65	11	16.9%

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<i>Very Ineffective</i>	65	1	1.5%
	Mean		3.69
	Standard Deviation		1.16

Source: Primary data collected

The mean effectiveness score of 3.69 indicates that SMEDAN’s programs are perceived as slightly more than neutral, leaning toward effective. The largest group (33.9%) rated the programs as very effective, followed by 26.2% neutral and 21.5% effective. Only 16.9% found the programs ineffective, and 1.5% rated them very ineffective. The standard deviation of 1.16 suggests moderate variation in perceptions.

The relatively positive mean score (3.69) reflects SMEDAN’s institutional strengths in general SME support, particularly in capacity building and export promotion, as seen in *Table 7*. Institutional Theory emphasizes that effective institutions shape organizational outcomes through consistent and accessible programs (Scott, 2014). The 55.4% of respondents rating SMEDAN’s programs as effective or very effective suggests a degree of institutional legitimacy in broader SME development. However, the 26.2% neutral and 18.4% negative responses indicate inconsistencies, particularly in diaspora-specific interventions, as evidenced by the low engagement in diaspora platforms (*Table 7*). This supports Gumel and Bardai’s (2023) observation that institutional bottlenecks, such as limited outreach and bureaucratic hurdles, constrain program impact.

5.3 Qualitative Findings

This section presents the qualitative findings derived from thematic analysis of interviews conducted with SMEDAN officials, Nigerian SMEs, and diaspora investors. The analysis addresses the study’s primary objective: to examine the institutional mechanisms and programs implemented by SMEDAN to attract and facilitate diaspora investment into Nigerian SMEs, with a focus on enhancing export readiness and regional trade within West Africa.

Four key themes emerged from the data: (1) Diaspora Engagement Programs, (2) Institutional Support and Policy Mechanisms, (3) SMEDAN’s Role as Intermediary, and (4) Barriers and Operational Challenges. Each theme integrates perspectives from the three respondent groups, supported by direct quotations to provide authenticity and context.

5.3.1 Theme 1: Diaspora Engagement Programs

This theme explores SMEDAN's structured and informal programs designed to connect diaspora investors with Nigerian SMEs, highlighting their scope, visibility, and perceived effectiveness.

Perspectives from SMEDAN officials

SMEDAN officials described a range of programs aimed at fostering diaspora investment and SME development. One SMEDAN official highlighted partnerships with international bodies, stating,

"SMEDAN partners with the international organization for migration in the skills training and empowerment of Nigerian returnees from other countries" (SD1)

This initiative targets returned migrants, a subset of the diaspora, to channel their skills and capital into SMEs. Another official emphasized sector-specific efforts, noting this as key initiatives to attract diaspora interest in high-potential sectors;

"The Garment and textile cluster support scheme and agro-business development programs have been yielding great results"(SD2)

Financial mechanisms were also cited, with some SMEDAN officials referencing *"Diaspora bonds and the ₦100 billion impact fund under the 'Grow Nigerian strategic plan'" (SD2 and SD5)* as tools to mobilize much needed capital.

In addition, SMEDAN participation in *regional and global exhibitions(SD3)*, linkage with *global entrepreneurship network(SD4)*, and involvement in platforms like AGDA conference show active efforts to create visibility and forge diaspora connections. These initiatives suggest a structured approach and align with global best practices (Kumar, 2021; Douw *et al.*, 2024) where diaspora engagement is most successful when institutionalized through dedicated programs and international outreach.

In terms of assessment of effectiveness, SMEDAN officials pointed to both quantitative and qualitative metrics, such as participation numbers, business leads, investment flows, and post-event feedback, to evaluate diaspora-focused initiatives. **SD2** noted

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“We asses by looking at the number of participants, business leads generated, investment flows, SME growth, and regular monitoring and reporting”

SD5 added

“We use quantitative data such as attendance, lead generation and qualitative feedback from post-survey questionnaires and interviews”

Monitoring tools include follow-up with SMEs, surveys, and the maturity of trade relationships formed through fairs. This echoes Açıkalın (2024) study, which stressed the importance of institutional trust and consistent engagement in sustaining diaspora interest.

Perspectives from SMEs

From the SMEs’ perspective, several respondents reported positive experiences with SMEDAN’s programs, highlighting trainings, export-readiness capacity building, e-commerce linkage, and loan facilitation. For example, **SME2** shared

“I participated in SMEDAN’s export readiness trainings and capacity-building programmes for myself and my association (AWEF)”

SME4 added,

“SMEDAN facilitated NIRSAL loan of four million for me, which I have repaid fully. I’ve been invited to trade fairs, and currently they’re trying to put my products on an e-commerce platform called ‘Sell It For Me’ through SMEDAN SELECT”

These accounts highlight SMEDAN’s role in enhancing SME operational and financial capacity and confirms literature findings such as Gumel & Bardai (2023), that emphasize the significance of institutional support in increasing SME readiness for investment and trade.

Perspectives from diaspora investors

On the other hand, the diaspora investors’ responses presented a mixed view, with limited direct engagement with SMEDAN’s programs and reflect a disconnection between program intent and actual reach. While **DPI1** noted that:

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“SMEDAN was not directly involved in facilitating my initial investment, its broader ecosystem and advocacy efforts helped shape a more favourable investment climate”

Others such as **DPI2** and **DPI3** indicated that there was “no direct interaction with SMEDAN” **DPI4** was however an exception, as was the only one who mentioned a direct outreach, saying,

“SMEDAN sensitized me”

This underlines a critical gap between program design and diaspora visibility or accessibility. While officials highlight robust programs, SMEs benefit primarily from capacity-building and loan facilitation, and diaspora investors often bypass SMEDAN, relying on informal networks.

5.3.2 Theme 2: Institutional Support and Policy Mechanism

This theme examines SMEDAN’s policy frameworks and institutional support structures for fostering diaspora investment and SME export readiness as well as strengthening the operational capacity of Nigerian SMEs.

Perspective from SMEDAN officials

Officials from SMEDAN highlighted various institutional policy mechanisms, including the establishment of enabling structures like National Diaspora Commission (NIDCOM) and National policy on MSMEs, both of which aims to formalize diaspora investment channels. In particular, **SD1** noted,

“The creation of NIDCOM and the National Policy on MSMEs have helped to provide a formal framework for the Nigerian diaspora engagement”

In addition, a range of incentives such as diaspora bonds issuance, diaspora trust funds, and tax breaks were cited by **SD2** and **SD4** as tools for making the investment climate more attractive. **SD2** explained

“We implemented investment incentives like diaspora bonds, economic diversification policies, infrastructure development, and regulatory reforms.”

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Also, **SD5** emphasized,

"Policies like the establishment of a diaspora investment fund, streamlined regulatory framework, and simplified registration process have created a more transparent business environment."

These strategies are in line with studies such as Williams (2020) which emphasize that diaspora investment flourishes where institutional trust, predictable regulations, and diaspora-specific financial instruments are in place. The integration of the AfCFTA framework into policy planning also emerged as a recurring point, especially in how it provides SMEs access to regional markets. **SD4** stated,

"Investment incentives and trade frameworks such as the AfCFTA have helped ease cross-border trade and attracted diaspora capital."

Perspective from SMEs

The responses from the SMEs emphasized both opportunities and structural barriers within the current SMEDAN's policy framework. Participants repeatedly identify issues such as lack of functional production facilities, regulatory bottlenecks with certification agencies, and limited access to structured support. **SME1** shared,

"Most MSMEs are yet to have functional facilities or access to contract manufacturing, and when they try to scale up, bottlenecks from certificate bodies cause setbacks. SMEDAN should intensify handholding of trained entrepreneurs"

SME3 emphasized on regional opportunity, saying,

"There's a need to untangle the process and network SMEs through AfCFTA to expand our market."

SME2 advocated for

"More structured B2B meetings, greater advocacy to ease business operations, and sustained capacity-building support to help SMEs grow."

These responses echo the broader institutional challenges in Nigeria noted in the literature, particularly in regard to weak implementation of policies, fragmented regulatory

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oversight, and low institutional capacity to monitor diaspora investment effectively (Adebayo, 2021).

Perspective from Diaspora investors

While appreciating SMEDAN's informational support, diaspora investors also provided insights into the policy environment, albeit from a more indirect perspective. DPI1 said,

"The support I received from SMEDAN was more informational than financial or advisory, but it helped in understanding the regulatory landscape and risk environment."

Others like **DPI3** and **DPI4** appreciated SMEDAN'S educational outreach and event participation. DPI stated,

"There was a recent SMEDAN webinar on customs activities and AGOA certification which I found informative."

DPI4 added,

"They linked me to their state office and provided capacity-building guidance, especially in relation to AfCFTA trade processes."

These responses indicate that while SMEDAN's policy may not always translate into direct support for every diaspora investor, they do help create a more predictably supportive and informed investment environment.

5.3.3 Theme 3: SMEDAN's Role as Intermediary

This theme explores SMEDAN's function as an intermediary linking diaspora investors with Nigerian SMEs, focusing on its programs and platforms.

Perspective from SMEDAN officials

All respondents including SMEDAN officials echoed that SMEDAN plays a central intermediary role in linking diaspora investors with Nigerian SMEs. Through multiple programs and platforms, the agency has created entry points for diaspora engagement, albeit with varying levels of impact. According to **SD1**, SMEDAN's partnership with international organization such as the international organization for migration has enabled it to *"train and empower returnees from other countries,"* while **SD2** added initiatives like

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“The Garment and Textile Cluster Growth Support Scheme, Agro-business engagement programs, Women-in-Self-Employment program, and Diaspora bonds.”

These programs not only target SME empowerment but also seek to align diaspora capital with local enterprise development. **SD5** emphasized more expansion efforts such as

“The ₦100 billion impact fund and Grow Nigerian Strategic Plan documents, which foster international engagement at forums such as the AGDA conference to mobilize diaspora and global investor capital.”

In addition, SMEDAN act as a feedback hub to evaluate engagement effectiveness. As **SD2** explained, this includes tracking

“The number of participants, business leads generated, investment flow, and SME development outcomes”

While **SD5** added

“post-survey questionnaires and interviews for qualitative feedback.”

These strategies aligns with the literature, which suggest that agencies often serve as critical intermediates in diaspora engagement by building platforms for visibility, trust, and transnational partnership (Gelb *et al.*, 2021; Kumar, 2021).

Perspectives from SMEs

Nigerian SMEs appear to recognize this intermediary role, highlighting recurring support areas such as market linkage, export readiness, and trade mission facilitation. For example, **SME1** describes SMEDAN’s role mandate as

“Access to market linkages, trade missions, capacity building, export readiness, access to finance, and business matching”

This was echoed across all SME participants with **SME3** affirming that SMEDAN

“Encourages attendance at international exhibitions and fairs” and provides “training on export readiness and financing.”

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However, despite this alignment in vision, there is an underlying need for SMEDAN to deepen personalized support and follow-through mechanisms to make these services more actionable and targeted.

Perspective from Diaspora Investors

Diaspora investors gave mixed assignment of SMEDAN’s intermediary effectiveness.

DRI1 acknowledge that

“SMEDAN’s programs have made notable strides in increasing visibility for SMEs through trade fairs, exhibitions, and online directories,” but noted a gap in “more targeted matchmaking between diaspora investors and investment-ready SMEs.”

Also, **DPI4**, however, considered SMEDAN “very effective”, particularly referencing a 2019 event with the Nigerian Export Promotion Council where she learned about “the AGOA stamp process, which compelled me to restructure my business in preparation for export to the U.S.” In contrast, **DPI2** and **DPI3** were less aware of SMEDAN’s direct influence, though **DPI3** acknowledge that

“SMEDAN had a desk at the exhibition event, speaking for the MSME space in Nigeria.”

These insights reinforce the literature that sees intermediary institutions as vital but often limited by scope, resources, or communication barriers (Ajuwon et al. 2024; Gumel & Bardai 2023). SMEDAN’s intermediary role is evident in its programs and platforms, but its effectiveness varies.

5.3.4 Theme 4: Barriers and Operational Challenges

This theme examines the structural, operational, and communication-related barriers hindering SMEDAN’s effectiveness in diaspora engagement.

Perspectives from SMEDAN officials

Despite SMEDAN’s strategic mandate, its effectiveness is undermined by significant structural, operational, and communication related barriers. These challenges impact its ability to fully harness diaspora investment potential and support SMEs in becoming export ready. **SD1** bluntly stated that

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“There are basically no strategies to harnessing diaspora potentialities to support local initiatives,”

Which reveals a fundamental policy gap. This aligns with existing literature such as Adedeji (2024) as that identifies weak institutional framework as a major constraint in diaspora engagement for development. In addition, financial constraints also limit SMEDAN’s outreach and operational efficiency. **SD2** noted

“Inadequate funding, lack of enlightenment and campaign,”

Which are being addressed through *“collaboration with stakeholders, advocacy for increased funding, and developing strategies.”*

Likewise, **SD4** emphasized that

“The agency has partnered with international and local funding bodies to facilitate diaspora investment,”

Highlighting ongoing attempts to bridge financial and operational gaps. **SD3** pointed to a trust and integrity issue within the system, referencing *“insincerity as it regards overestimation of production capacity in deal rooms,”* which the agency addresses through *“capacity building, sanitization, and training.”* These statements support the finding that institutional credibility and transparency are crucial for diaspora confidence.

Perspective from SMEs

From the SME perspective, the bottlenecks in certification and operational scaling are major hinderances. **SME1** noted

“Most MSMEs are yet to have established functional facilities... when they want to scale up, the bottlenecks from certification bodies bring setbacks.”

The same concern was echoed by **SME4**, who reiterated that

“People just start business from their homes in a small scale,”

And the inability to meet regulatory standards hampers export readiness. This reflects earlier literature that emphasizes capacity deficits and informality as major barriers to SME growth and export engagement in West Africa (Adedeji, 2024)

In addition, **SME2** suggested

To help grow sustainability. Also, **SME3** urged SMEDAN to "untangle the process" of cross-border engagement under AfCFTA, a comment highlighting procedural and regulatory complexity as key issues.

Perspective from Diaspora Investors

Diaspora investors echoed their frustration, particularly concerning visibility and connectivity with investment-ready businesses. **DPI1** acknowledged that while SMEDAN has improved visibility "trade fairs, exhibitions, and online directories," there is still a lack of "targeted matchmaking between diaspora investors and SMEs that are investment ready."

DPI3 observed that SMEDAN'S presence is often passive, stating

"SMEDAN had a desk speaking for the MSME space,"

But the real engagement came through the Ministry of Trade and Investment. In contrast, **DPI2** admitted

"I wasn't aware of SMEDAN until this survey,"

Indicating a significant communication and outreach gap. However, **DPI4** provided a more positive assessment, noting that a government-led export even led them to

"Restructure [my] business... because the amount of information required to get the AGOA stamp meant my business couldn't continue in an unstructured manner."

This underscores how targeted information and compliance requirement can catalyse serious business reform among diaspora-linked entrepreneurs.

5.4 Discussion of Findings

By triangulating survey responses from 65 SMEs, interviews with SMEDAN officials, SMEs, and diaspora investors, alongside the reviewed literature, this analysis highlights

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SMEDAN's strengths, gaps, and opportunities in linking diaspora resources to SME growth. The evidence points to strong institutional intent but weak engagement structures.

5.4.1 Institutional Mechanisms and Diaspora Engagement

Only 10.8% of SMEs reported diaspora facilitation (*Table 4*), with just 6.2% engaged in diaspora-specific platforms (*Table 5*). Diaspora investors (e.g., DPI2, DPI3) confirmed limited awareness, while officials cited programs like the ₦100 billion impact fund and IOM partnerships. Institutional Theory emphasizes legitimacy and visibility (DiMaggio & Powell, 1983), both of which remain weak. Although programs exist, uptake is minimal because outreach and communication are poor. This reflects Brinkerhoff's (2008) observation that credible, accessible platforms are essential. Unlike India's dedicated diaspora desks (Gelb *et al.*, 2021), SMEDAN's channels remain underutilized.

5.4.2 Program Effectiveness and SME Support

Survey data show strong participation in training (58.5%) and export promotion (32.3%), with moderate effectiveness (mean 3.69, *Table 7*). SMEs shared positive experiences, such as loans facilitated by SMEDAN or support for trade fairs. However, diaspora-related initiatives remain marginal, with satisfaction averaging only 2.94 (*Table 6*). High neutrality (36.9%) indicates limited exposure. Diaspora investors described SMEDAN's role as "more informational than financial," highlighting a mismatch between SME needs and investor expectations. While Ghana has dedicated diaspora units (Gelb *et al.*, 2021), SMEDAN remains more effective in training than in investment facilitation.

5.4.3 Policy Frameworks and Institutional Support

SMEDAN's policies such as diaspora bonds, MSME frameworks, and AfCFTA integration, reflect institutional intent. Officials cited measures such as a diaspora investment fund and streamlined regulations (SD5), echoing Williams (2020) on the value of clear policy. Yet SMEs and diaspora investors reported bureaucratic barriers and limited operationalization. Engagement remains low (10.8%), with modest investment levels (\$5,000–\$25,000, *Table 3*). This gap reflects North's (1990) view that enforcement and trust are as crucial as policy design. Compared with India's diaspora bonds (Kumar, 2021), Nigeria's frameworks lack sufficient credibility to attract larger investments.

5.4.4 Barriers and Operational Challenges

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Both datasets highlight structural weaknesses. Participation in diaspora programs is negligible (6.2%), with one-third of SMEs dissatisfied (Table 4.6). Officials acknowledged inadequate funding and weak strategies (**SD1**, **SD2**), while SMEs pointed to informality and export bottlenecks. Diaspora investors stressed fragmented institutional roles, often bypassing SMEDAN for the Ministry of Trade. These challenges echo Gumel and Bardai (2023) on institutional bottlenecks and Brinkerhoff (2008) on the centrality of trust. Ghana's proactive diaspora outreach (Gelb et al., 2021) contrasts with SMEDAN's limited visibility, as **DPI2** admitted, "*I wasn't aware of SMEDAN until this survey.*"

5.4.5 Triangulation and Implications

The findings show SMEDAN's capacity-building strength but weak diaspora-specific interventions. Low engagement (10.8%), limited uptake (6.2%), and modest satisfaction (2.94 mean) undermine its intermediary role. Yet targeted interventions, such as AGOA-linked certification (**DPI4**), show potential. Literature confirms these weaknesses: Ajuwon et al. (2024) and Adebayo (2021) point to regulatory inconsistencies and weak implementation. While SMEs recognize SMEDAN's contributions in market linkages, diaspora investors largely perceive its absence, reinforcing the need for dedicated diaspora platforms.

5.4.6 Broader Implications

The study underscores the need for SMEDAN to strengthen its intermediary role. Dedicated diaspora desks, co-investment forums, and digital platforms could align SMEs with investors. Collaboration with NIDCOM and NIPC is vital to address funding and regulatory challenges. Enhanced outreach, particularly to diaspora hubs in the UK and US, could boost visibility. Finally, linking programs to AfCFTA opportunities would support export readiness, positioning Nigeria more competitively in regional trade.

6. CONCLUSION, RECOMMENDATIONS, AND CONTRIBUTIONS TO KNOWLEDGE

6.1 Conclusion

This study examined SMEDAN's mechanisms for attracting diaspora investment into SMEs. Results show that while training (58.5%) and export programs (32.3%) engage

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many SMEs, diaspora-focused initiatives reach only 6.2%, with 10.8% reporting facilitated connections. Officials highlighted structured policies, yet diaspora investors revealed low awareness. From an Institutional Theory perspective, SMEDAN's efforts lack legitimacy and visibility, limiting their effectiveness despite credible program frameworks.

6.2 Recommendations and Policy Implications

First, SMEDAN should establish diaspora investment desks, modelled on Ghana's approach (Gelb et al., 2021), to connect SMEs with investors. Second, digital outreach in diaspora hubs could counter poor visibility. Third, collaboration with NIDCOM and NIPC would help address funding shortages and streamline processes, while regulatory reforms could ease bottlenecks that hinder export readiness. Finally, aligning with AfCFTA opportunities would enhance SME competitiveness and regional integration.

6.3 Contributions to Knowledge

This research extends literature on diaspora investment by focusing on SMEDAN's intermediary role. It demonstrates that institutional visibility and legitimacy shape diaspora-SME interactions, confirming Brinkerhoff's (2008) and Scott's (2014) frameworks. Unlike previous studies on SME support (Ajuwon et al., 2024), it shows diaspora-specific mechanisms are underutilized, despite structured programs. It also highlights the role of micro-enterprises in AfCFTA markets, offering a foundation for future inquiry into institutional strategies for diaspora engagement.

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